

# FISCAL NOTE

**Bill #:** HB0248 **Title:** Extend exemption for steam heating boilers  
**Primary Sponsor:** McGillvray, T **Status:** As Introduced

Sponsor signature	Date	David Ewer, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	(\$112,000)	(\$112,000)
<b>Revenue:</b>		
State Special Revenue	(\$288,496)	(\$288,496)
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

<input type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input type="checkbox"/> Needs to be included in HB 2

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Labor and Industry**

##### Boiler inspection and certification program:

1. HB 248 exempts the following boilers from department and insurance company inspection: 1,631 school boilers; 17 daycare boilers; 208 hospital boilers; 146 nursing home boilers; 33 retirement center boilers; 356 public assembly boilers; 423 church boilers; 44 jail boilers; and 3,797 boilers located in hotels, theaters, apartment buildings, courthouses, health clubs, airports, libraries, and other businesses.
2. Under HB 248, the department would perform 445 boiler inspections, 3,505 fewer than the 3,950 projected for the 2007 biennium, and it would issue 942 operating certificates, 6,043 fewer than the 6,985 projected for the 2007 biennium. Inspection and certificate revenues decrease from \$306,610 under current law to \$40,592 under HB 248.
3. Under HB 248, the department would receive \$40,592 revenues each year of the 2007 biennium, as follows:
  - 245 X \$30 = \$7,350 hot water supply inspection revenues;
  - 150 X \$40 = \$6,000 process boiler inspection revenues;
  - 50 X \$55 = \$2,750 power boiler inspection revenues; and
  - 942 X \$26 = \$24,492 operator certificate revenues.

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(continued)

4. The department would reduce boiler inspectors by 2.00 FTE (currently 4.00 FTE) due to the decreased workload. The total estimated expenditure reduction attributable to the reduction of staff is \$112,000 annually, \$83,200 personal services and \$28,800 operating expenditures. The remaining 2.00 FTE required to perform inspections and issue certificates would incur costs of \$112,000 annually, \$83,000 personal services and \$28,800 operating expenditures.

### Boiler operator licensing program:

5. The department currently issues 3,487 boiler-operating licenses at \$45 each, totaling \$156,915.
6. HB 248 would exempt approximately 2,091 boiler operators from licensure, leaving 1,396 licensees remaining ( $3,487 - 2,091 = 1,396$ ). Revenues that would be received for 1,396 licenses are \$62,820 ( $1,396 \times \$45$ ). The department would be able to process license applications and issue licenses and renewals at the current \$45 rate with no fee increase.

### FISCAL IMPACT:

	FY 2006 <u>Difference</u>	FY 2007 <u>Difference</u>
FTE	(2.00)	(2.00)
<u>Expenditures:</u>		
Personal Services	(\$83,000)	(\$83,000)
Operating Expenses	<u>(28,000)</u>	<u>(28,000)</u>
TOTAL	(\$112,000)	(\$112,000)
<u>Revenues:</u>		
State Special Revenue	(\$288,496)	(\$288,496)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	(\$176,496)	(\$176,496)

### TECHNICAL NOTES:

Section 50-74-219, MCA, sets boiler inspection fees. HB 248 has no provision to increase boiler inspection fees. Statutory fee increases are necessary to implement HB 248.